



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE

REFER TO FILE: **AV-0**

April 17, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LEASE AGREEMENT BETWEEN COUNTY OF
LOS ANGELES AND MARCIAN A. HERMAN FOR
THE CONSTRUCTION OF AN AIRCRAFT STORAGE
HANGAR AT WHITEMAN AIRPORT, PACOIMA
SUPERVISORIAL DISTRICT 3
4 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that this lease is exempt from the provisions of the California Environmental Quality Act (CEQA).
2. Approve and instruct the Chair to sign the enclosed Lease Agreement between the County of Los Angeles and Marcian A. Herman for construction of an aircraft storage hangar on approximately 7,150 square feet of land at Whiteman Airport in the Pacoima area of the City Los Angeles for a term of 25 years, including a 5-year option, at an initial annual rent of \$3,432, commencing on May 1, 2003, and terminating at midnight on April 30, 2028.
3. Instruct the Director of Public Works to make the necessary arrangements with the County's contract airport manager and operator for the collection of all rents to be paid.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

We are requesting that your Board approve and instruct the Chair to sign the Lease Agreement between the County of Los Angeles and Marcian A. Herman for construction

of an aircraft storage hangar on approximately 7,150 square feet of land at Whiteman Airport in the Pacoima area of the City of Los Angeles for a term of 25 years, including a 5-year option, at an initial annual rent of \$3,432, commencing on May 1, 2003, and terminating at midnight on April 30, 2028. We are also requesting that your Board find that this lease is exempt from the provisions of CEQA, and instruct the Director of Public Works to make the necessary arrangements with the County's contract airport manager for collection of all rents to be paid.

On August 13, 1991, your Board approved the Whiteman Airport Master Plan. The approved Master Plan recommends the addition of aircraft storage hangars to accommodate the rising demand for these types of facilities. Approval of this lease will allow development of an underutilized parcel of airport property into an airport-compatible use which will also increase airport revenues and reduce maintenance costs. The lease will be consistent with the adopted Master Plan and will provide an aircraft storage facility to the airport users. Also, it will provide a continued revenue flow to the County's Aviation Enterprise Fund.

The terms of this lease were negotiated by our airport management contractor and appear to be fair and reasonable.

Implementation of Strategic Plan Goals

This action is consistent with the Strategic Plan Goal of Fiscal Responsibility as awarding this lease will provide more revenue to the County which, in turn, will be used to maintain and upgrade the airports to meet current FAA standards.

FISCAL IMPACT/FINANCING

The initial annual rental rate will be \$3,432, with annual cost of living adjustments based on the Consumer Price Index (CPI).

Our management contractor, American Airports Corporation (AAC), will collect the revenues. As provided for in our Airport Management Contract Agreement, AAC will distribute 45 percent of the lease payment into the Aviation Enterprise Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This lease has been reviewed from a legal standpoint and approved as to form by County Counsel. The proposed lease is a categorically exempt project, as specified in Class 3 (d) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, Synopsis 57.

ENVIRONMENTAL DOCUMENTATION

It is not applicable for this lease.

CONTRACTING PROCESS

It is not applicable for this lease.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this lease will allow development of an underutilized parcel of airport property into an airport-compatible use which will increase the airport revenue stream to the County and reduce maintenance costs.

CONCLUSION

The original and three (3) copies of the lease, executed by Marcian A. Herman, are enclosed.

1. Please have the Chair sign the original and all copies, and return three (3) fully executed, original signature/stamped copies to the Aviation Division.
2. It is further requested that conformed copies of the lease be distributed to:
 - a. County Counsel
 - b. Auditor-Controller, General Claims Division
 - c. Assessor, Possessory Interest Division

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

TAG:h
M A HERMAN LEASE WHP/B-2

Enc.

cc: Chief Administrative Office
County Counsel